

**SUMMARIZED MINUTES
SCOTTSDALE CITY COUNCIL
TUESDAY, MARCH 28, 2006**



**WORK STUDY SESSION
CITY HALL KIVA
3939 N. DRINKWATER BOULEVARD
SCOTTSDALE, AZ 85251**

CALL TO ORDER

Mayor Manross called to order a Work Study Session of the Scottsdale City Council on Tuesday, March 28, 2006 in the Kiva, City Hall, at 5:11 P.M.

ROLL CALL

Present: Mayor Mary Manross
Vice Mayor Ron McCullagh
Council Members Betty Drake, Wayne Ecton, W.J. "Jim" Lane,
and Kevin Osterman

Absent: Councilman Robert Littlefield

Also Present: City Manager Jan Dolan
City Attorney Deborah Robberson
City Clerk Carolyn Jagger

1. Proposed FY 2006/07 Operating and Capital Budget

Work Study Item: Staff presentation and City Council discussion of the City's Proposed Fiscal Year 2006/07 Operating and Capital Budget. No formal City Council action is requested this evening.

Staff Contact(s): Craig Clifford, Financial Services General Manager/CFO, 480-312-2364, cclifford@scottsdaleaz.gov; Arthur Rullo, Budget Director, 480-312-2435, arullo@scottsdaleaz.gov

Staff provided a presentation outlined as follows:

- Budget Process Overview
- Future Budget Considerations
 - Pending legislative actions could impact property tax and sales tax

NOTE IN ACCORDANCE WITH PROVISIONS OF THE ARIZONA REVISED STATUTES THE SUMMARIZED MINUTES OF CITY COUNCIL MEETINGS ARE NOT VERBATIM TRANSCRIPTS. ONLY THE ACTIONS TAKEN AND DISCUSSION APPEARING WITH QUOTATION MARKS ARE VERBATIM. DIGITAL RECORDINGS OF CITY COUNCIL MEETINGS ARE ON FILE IN THE CITY CLERK'S OFFICE.

- General Fund Revenues
 - Sales tax is the largest source of revenue
- Service Area Demands
- Total Proposed Capital Budget by Project Type (\$863.8M, includes \$498.6M of carryover)
- Capital Projects Expected to be Completed in FY 2006/07
- Highlights of Proposed Capital Budget
- Total Capital Budget by Location and Type
- Service Budget by Fund
- General Fund Expenditures by Type
- General Fund Cost Drivers
- General Fund Proposed Staffing by Service Areas
- General Fund Contingency and Reserves
- Transportation Fund
- Debt Service Fund
 - Property tax rates will decrease by about 1%
- Water and Sewer Fund
 - A \$1.3M reduction in water costs from the City of Phoenix is contemplated when the Chaparral Water Treatment Plant comes on line this year.
- Solid Waste Fund
- Proposed Combined Utility Rate Increases of about \$2.83 per month (4.3%) on a typical utility bill
- Aviation Fund
- Internal Service Funds
- Calendar of Budget Meetings

Council/Staff discussion:

- In response to questions from Council, staff clarified that the location of a new library in north Scottsdale has not yet been determined and that WestWorld improvements do not include a new Events Center.
- Councilman Ecton believes that raising the City's expenditure limit is critical to continuing projects and attracting tourists.
- Discussion was held regarding causes for increases in personnel services, including health costs, retirement contributions, market adjustments, and cost of living. Staff will provide further information regarding each category.
- Chief Willie McDonald explained that funding has been budgeted for recruitment and training of twenty-two ambulance personnel, but actual staffing will occur in the 2007/08 budget. No new personnel have been requested for the Fire Department because the numbers were readjusted to use overtime hours for vacation coverage.
- Discussion was held regarding inflation rates and population growth rates. Councilman Lane requested that staff furnish exact figures/percentages to the Council.
- Council urged citizens to attend upcoming budget forums and participate in the budget process.

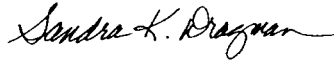
CITY MANAGER'S REPORT - None

MAYOR AND COUNCIL ITEMS - None

ADJOURNMENT

With no further business to discuss, the Work Study Session adjourned at 6:29 P.M.

SUBMITTED BY:



Sandy Dragman
Recording Secretary

REVIEWED BY:



Carolyn Jagger
City Clerk

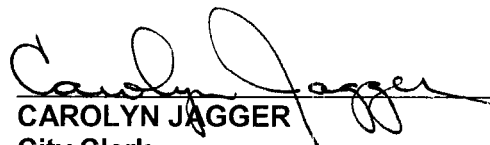
Officially approved by the City Council on April 25, 2006

C E R T I F I C A T E

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Work Study Session of the City Council of Scottsdale, Arizona held on the 28th day of March 2006.

I further certify that the meeting was duly called and held, and that a quorum was present.

DATED this 25th day of April 2006.



CAROLYN JAGGER
City Clerk